

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
--	--	--

**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION FOR APPROVAL OF REIMBURSEMENT OF EXPENSES OF
THE MEMBERS OF THE ASBESTOS PERSONAL INJURY CLAIMANTS
COMMITTEE
FOR THE TWENTY-THIRD INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Twenty-Third Interim Fee Application of the Asbestos Personal Injury Claimants Committee(the "Application").

BACKGROUND

1. The Asbestos Personal Injury Claimants Committee (the "Committee") was appointed by the United States Trustee to represent the interests of the asbestos claimants in the Consolidated Cases. In the Application, the Committee seeks approval of costs totaling \$2,195.81 for reimbursement of expenses incurred between October 1, 2006, through December 31, 2006, by Joseph Rice of Motley Rice, LLC, a member of the Committee.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware,

Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on the Committee an initial report based on our review, and received a response from the Committee, portions of which response are quoted herein.

DISCUSSION

3. In our initial report, we noted two hotel charges that appear excessive. The entries are provided below.

10/19/06	Joseph F. Rice - Travel to NYC for meeting October 9, 2006 (1/3 of hotel bill).	210.91
11/09/06	Joseph F. Rice - Travel to Dallas, TX for meeting with WRG reps re resolution of bankruptcy on Oct. 25.	559.35

We recommend a reasonable ceiling of \$250.00 per day plus applicable taxes for lodging (\$350.00 for New York and selected other cities). With the cost split as indicated, receipts indicate a per-day room rate of \$555.00 plus taxes of \$77.73 for the New York entry and \$495.00 plus taxes of \$64.35 for the Dallas entry. We asked the Committee to explain why these lodging entries should not be viewed as excessive. The Committee responded as follows.

In response to the Fee Auditor's Initial Report for the PI Committee for the 23rd Interim Period, Mr. Rice has agreed to accept the amount customarily allowed for lodging, as well as a reduction to \$60.00 for the transportation costs.

We appreciate the response. For the lodging entry of October 19, 2006, we recommend a reduction of \$205.00, and for the November 9, 2006 entry a reduction of \$245.00. Thus we recommend a

reduction of \$450.00 for lodging expenses.

4. We note three transportation charges that appear excessive. The entries are provided below.

06/21/06	Joseph F. Rice - Car transportation to/from meeting with Elihu Inselbuch in NYC on May 16, 2006	134.00
10/24/06	Joe Rice - Travel to New York on Oct. 9, 2006 (1/3 of car charge from airport to hotel).	44.67
11/09/06	Joseph F. Rice - 1/3 of car charge to airport re: trip to NYC for meeting on Oct. 9, 2006.	36.67

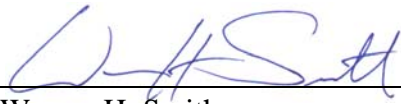
The accompanying receipts indicate that all of these charges were with a limousine service. Our research indicates an easily obtainable flat rate of \$45.00 for taxi service from JFK to midtown Manhattan. Even with a generous gratuity, that transportation expense should not exceed \$60.00. We asked the Committee to explain why these expenses should be reimbursed at a level exceeding \$60.00 for each. As referenced in the response shown above, the Committee agreed to reduce each transportation charge to \$60.00. By our calculations, this would result in a recommended reduction of \$115.34 for transportation expenses.

CONCLUSIONS

5. Thus we recommend approval of \$1,630.47 (\$2,195.81 minus \$565.34) for reimbursement of expenses incurred between October 1, 2006, through December 31, 2006, by Joseph Rice of Motley Rice, LLC, a member of the Committee.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 
Warren H. Smith
Texas State Bar No. 18757050

Republic Center
325 N. St. Paul, Suite 1275
Dallas, Texas 75201
214-698-3868
214-722-0081 (fax)
whsmith@whsmithlaw.com

FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 6th day of June, 2007.


Warren H. Smith

SERVICE LIST

Notice Parties

The Applicant

Kathleen Campbell Davis
Campbell & Levine, LLC
Suite 300
800 N. King Street
Wilmington, DE 19801

The Debtors

David B. Siegel, Esq.
Sr. V.P. and Gen. Counsel
W.R. Grace & Co.
7500 Grace Drive
Columbia, MD 21044

Counsel for the Debtors

James H.M. Sprayregen, Esq.
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601

Laura Davis Jones, Esq.
Pachulski, Stang, Ziehl, Young & Jones, P.C.
919 North Market Street, Suite 1600
P.O. Box 8705
Wilmington, DE 19899-8705

Counsel for the Official Committee of Unsecured Creditors

Lewis Kruger, Esq
Stroock & Stroock & Lavan
180 Maiden Lane
New York, NY 10038-4982

Michael R. Lastowski, Esq.
Duane Morris & Heckscher
1100 N. Market Street, Suite 1200
Wilmington, De 19801-1246

Counsel to the Official Committee of Property Damage Claimants

Scott L. Baena, Esq
Bilzin, Sumberg, Dunn, Baena, Price & Axelrod
First Union Financial Center
200 South Biscayne Boulevard, Suite 2500
Miami, FL 33131

Michael B. Joseph, Esq.
Ferry & Joseph, P.A.
824 Market Street, Suite 904
P.O. Box 1351
Wilmington, DE 19899

Counsel to the Official Committee of Personal Injury Claimants

Elihu Inselbuch, Esq.
Caplin & Drysdale
399 Park Avenue, 36th Floor
New York, NY 10022

Marla R. Eskin
Campbell & Levine, LLC
Suite 300
800 N. King Street
Wilmington, DE 19801

Official Committee of Equity Holders

Thomas M. Mayer, Esq.
Kramer Levin Naftalis & Frankel
919 Third Avenue
New York, NY 10022

Teresa K.D. Currier, Esq.
Buchanan Ingersoll
1000 West Street, Suite 1410
Wilmington, DE 19801

United States Trustee

Office of the United States Trustee
844 King Street, Suite 2311
Wilmington, DE 19801